



Memorandum

AGENDA ITEM 10

DATE: October 21, 2020
TO: Transportation Authority Board
FROM: Eric Cordoba - Deputy Director for Capital Projects
SUBJECT: 10/27/20 Board Meeting: Major Capital Project Update - Better Market Street

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>Led by the San Francisco Public Works (SFPW), the Better Market Street (BMS) project is comprised of various streetscape enhancements, transit capacity and reliability improvements, and state of good repair infrastructure work along a 2.2-mile stretch of Market Street between Steuart Street and Octavia Boulevard. It includes bicycle lanes, pavement renovation, utilities relocation and upgrades, turn restrictions implementation, and improvements on sidewalk; way-finding; lighting; landscaping; transit boarding islands; transit connections; and traffic signals. The preliminary cost estimate for all phases of the project is \$604 million. BMS has a significant funding gap (\$407 million). SFPW has developed a proposed phasing plan that anticipates construction of Phase 1 (the segment between 5th and 8th streets) to start in 2021. The F Loop (see Discussion for details) is Phase 2. The BMS team is working closely with City departments to prioritize essential scope for Phase 1 to help close the funding gap; minimize construction impacts to businesses; and provide additional capacity for cyclists given the higher than anticipated volumes since Market Street became car-free. The new scope will maintain the curb line, delay sidewalk replacement, and eliminate F-Line track replacement. This will reduce project cost and business impacts. The revised scope includes a shared curb lane for cyclists, with improvements such as a painted buffer and double-sharrow treatments. Buses will not use the curb lanes. Public outreach on the new scope is scheduled for November. Cristina Calderón Olea, SFPW project manager, will provide an update to the Board.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input checked="" type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
---	--



BACKGROUND

Market Street is San Francisco's premier boulevard and an important local and regional transit corridor. The BMS project includes 2.2 miles of the corridor, from Steuart Street to Octavia Boulevard. It is a multi-modal project that includes among other features, bike lanes, pavement renovation, landscaping, Muni track replacement and a new F-Line loop that would enable the streetcars to turnaround along McAllister Street and Charles J. Brenham Place, providing increased operational flexibility. In addition to its transportation-focused goals supporting the City's Transit First and Vision Zero policies, the project is also intended to help revitalize Market Street as the City's premier pedestrian boulevard. Although not part of the BMS project, the project team is coordinating with BART on its efforts to construct escalator canopies at BART/Muni entrances and to perform state of good repair work on BART ventilation grates.

The BMS project is a partnership between SFPW, which is the lead agency, the Transportation Authority, the San Francisco Municipal Transportation Agency (SFMTA), San Francisco Public Utilities Commission (SFPUC), and the Planning Department, which led the environmental review.

Given the cost of the project and the length of the corridor, SFPW plans to design and construct the project in phases. SFPW identified Phase 1 as the segment between 5th and 8th streets. As discussed below SFPW has proposed a phasing plan for design and construction that would allow them to advertise Phase 1 construction in Spring 2021 and begin construction by late 2021. The estimated cost for redesign and construction of Phase 1 based on 20% design is about \$130 million. The F- Loop streetcar turnaround along McAllister Street and Charles J. Brenham Place is Phase 2.

DISCUSSION

Status and Key Activities. Environmental Clearance: BMS completed environmental review for the California Environmental Quality Act (CEQA). The Planning Commission certified the EIR at a noticed hearing on October 10, 2019. San Francisco SFPW and the SFMTA approved the project on October 15, 2019.

The California Department of Transportation (Caltrans) on behalf of the Federal Highway Administration (FHWA) led the National Environmental Policy Act (NEPA) environmental review, consultation, and any other actions required by applicable federal environmental laws. Since the last update to the Transportation Authority Board, Caltrans completed environmental review for NEPA in September 2020 and issued a Final Environmental Assessment with a Finding of No Significant Impact, marking a major milestone for the project.

Project Phasing and Potential Scope Changes: Large projects such as BMS often are implemented in phases due to funding availability (both timing and amount) and a desire to



minimize construction impacts and disruptions. The project team has identified Phase 1 as Market Street between 5th and 8th streets.

In an effort to simplify nomenclature, the former Phase 1B is now Phase 2, comprised of a new surface loop for use by SFMTA's F-Market historic streetcar service. This new loop (F-Loop) entails the construction of streetcar tracks along McAllister and Charles J. Brenham streets, passing in front of the Hibernia Bank and Proper Hotel. The F-Loop will allow SFMTA to increase service on the busiest portion of the existing F-Market route by turning some vehicles at the new loop, rather than continuing to the current route terminus at Market and Castro streets.

The phasing for the remainder of the project has not been determined yet. Once Phase 1 design is complete, the project team will provide phasing options either by geographic areas or by scope of work. These options will be matched to funding sources, for example stimulus funds or future BUILD grants.

The design team had completed 15% plans for the entire project corridor, and 90% design for the Phase 1A improvements (with a sidewalk-level bikeway from 5th-8th Streets). However, the project team and partner agencies are re-evaluating the scope of the project to reduce the project cost and construction impact to businesses and residents. The project team is now considering only replacing or upgrading infrastructure at the end of its design life. SFMTA is determining their state of good repair scope and available funding for track, overhead lines, and traffic signals. SFMTA currently will not replace F-Line tracks along the entire corridor but is focusing on upgrading existing tie-and-ballast tracks with direct fixation and repairs where needed. The Path of Gold will not be replaced as part of the first phase.

The SFPUC is re-evaluating sewer, water, and power duct bank scope which may be contingent on track and traction power replacement scope. SFPUC currently will not replace the existing sewer line under the F-Line tracks if SFMTA does not replace F-Line tracks. SFPUC will instead reline the sewer to extend its useful life. This will significantly reduce the sewer installation cost.

SFPW is determining roadway paving, sidewalk replacement, landscaping and other elements. The project team has decided to maintain the existing curb line (except where it must be relocated to facilitate new center boarding islands) which will also lead to considerable project savings since it will eliminate or reduce utility and fire hydrant relocation. SFPW is also delaying full sidewalk brick replacement. SFPW will currently build curb ramps and phase in full sidewalk replacement in the future. This will also lead to additional savings because the project will no longer require near-term relocation of the Path of Gold Streetlights.

Quick-Build: To improve safety and transit performance, the City implemented its quick-build program on Market Street on January 29, 2020. Quick-Build made Market Street car-free eastbound from 10th Street to Main Street, and westbound from Steuart Street to Van Ness



Avenue. Vehicles are still allowed to cross Market street at all intersections. The project improved transit performance with Muni lines running 6% faster on average. The volume of cyclists also increased by 25%. Vehicle traffic congestion increased only marginally on nearby streets.

Due to the success of quick-build and the increase in bicycle volumes, the project team determined that the proposed 8-foot sidewalk bikeway is too narrow to accommodate the new bicycle volumes. Consequently, the project team proposes to eliminate the sidewalk-level bikeway and keep bicyclists in the existing curb lane and add a 2-foot painted buffer to protect bicyclists. This is another reason why the existing curb line can be maintained, reducing costs and minimizing construction-related impacts to businesses along the corridor. The proposed design will keep the two center lanes for Muni transit vehicles. Taxis, paratransit, and delivery vehicles will use the shared curb lane along Market Street. The project team is exploring traffic calming measures that can be integrated into the design, such as a raised curb in the painted buffer and vertical deflection in the curb lane.

The project team is also looking for other Quick-Build opportunities to realize more of the project benefits sooner and trying to accommodate the higher bicycle volumes after Market Street went car-free.

The BMS team had planned on building a pilot as part of the proposal for sidewalk-level bikeway on the project, which was funded by Prop K sales tax. However, with the success of Quick-Build and the shift to a curb lane instead of sidewalk-level bike lanes, this pilot is no longer required. Prop K funding for the pilot has been de-obligated and SFPW anticipates requesting those funds for construction of the project after scope revaluation.

Project Cost and Funding. The total project cost estimate, based on 10% design of the sidewalk-level bikeway design, was \$604 million. A significant portion of the total project cost represents state of good repair and infrastructure renewal work that would be required regardless of the BMS project. The partner agencies are reevaluating the state of good repair scope of work which may reduce the total cost of the project. With respect to Phase 1, the construction cost estimate based on the original scope was \$106 million. City agencies' scope re-evaluation has reduced the preliminary construction cost estimate for Phase 1 to \$88 million. Adding in soft costs (e.g. scope re-evaluation and redesign effort) and escalation brings the total Phase 1 preliminary cost estimate to \$120 million. SFPW estimates the cost to redesign the project at an additional \$7 million beyond originally budgeted design costs; however, the scope re-evaluation will lead to a lower total project cost for the Better Market Street project that more than covers the increased cost of design.

Shortly after Caltrans approved the project's NEPA clearance, SFPW was able to obligate \$15 million in federal Better Utilizing Investments to Leverage Development (BUILD) funds and \$3.4 million in One Bay Area Grant (OBAG) funds (programmed by the Transportation Authority) for the construction phase of the project before the relevant timely-use-of-funds deadlines. As a condition of FHWA agreeing to redirect the BUILD funds from the F-Loop to



Phase 1, SFPW has committed to starting construction of the F-Loop by September 30, 2025. The project schedule anticipates starting construction by 2024.

Attachment 1 shows the current funding plan for the BMS Project. The BMS project has secured \$197 million in funding from the federal BUILD grant program, OBAG Program, BART, Prop K sales tax, SFMTA's Prop A General Obligation bond, and other funding sources. Based on the preliminary (20% design) cost estimated for the new Phase 1 scope, this would fully fund Phase 1 through construction with \$32.8 million to apply toward future phases.

The BMS team is focused on getting the project shovel ready in order to qualify for potential state or federal stimulus funds.

Outreach Activities and Business Mitigation. The project team is preparing for a virtual open house that will take place November 2-13 to explain the proposed design changes and collect input. The project team will also conduct two online meetings on November 4 at 12:00 p.m. and November 9 at 4:30 p.m. SFPW is working on developing a business construction impacts mitigation plan reflecting the new design with the Office of Economic and Workforce Development.

Current Issues and Risks. The unanticipated COVID-19 pandemic and the subsequent stay-at-home orders issued in March 2020 by Bay Area public health agencies have impacted the project. A major complication is the economic recession resulting from the pandemic and the stay-at-home orders. The freeze in economic activity has affected City department revenues and has shifted work programs to focus on providing core services to residents and businesses. Further, while the project team was always determined to limit construction impacts to businesses prior to COVID-19, the team is even more committed to do so now. As described above, this is one of the main drivers of the project redesign along with the need to reduce costs. The redesign has contributed to a delay in starting the first phase of construction. As noted above, the current schedule is to advertise the construction contract in Spring 2021.

Identifying funding to close the funding gap for the remainder of the project beyond Phase 1 remains a significant challenge. SFPW and project partners are continuing to look for other funding opportunities, and the project team is seeking to make the project shovel ready to compete for any stimulus funds. After finishing design for Phase 1, the project team will focus more on the remainder of the project. This will include extending the re-evaluation of the scope and phasing options corridor-wide, which is expected to help reduce costs and narrow the funding gap.

FINANCIAL IMPACT

None. This is an information item.



SUPPLEMENTAL MATERIALS

- Attachment 1 - Better Market Street Project Funding Plan

Attachment 1.

BETTER MARKET STREET FUNDING PLAN

(Updated October 23, 2020)

ALL DOLLARS IN THOUSANDS

ENVIRONMENTAL AND PHASE 1 FUNDING

Funding Source	Status	Full Corridor Env. Review & 30% Design	Design Ph. 1 ¹	Redesign Ph. 1 ²	Construction Ph. 1 ³	Future Phases	Total by Fund Source
General Fund	Allocated	5,200					5,200
Octavia Land Sales	Allocated	3,050					3,050
Market Octavia Impact Fees	Allocated	1,500					1,500
Transit Center Impact Fees	Allocated					2,000	2,000
Prop A GO Bond	Allocated	12,960	7,642	7,000			27,602
SFMTA Transit Funds	Allocated	0	1,400				1,400
Affordable Housing and Sustainable Communities (AHSC)	Allocated				2,700		2,700
Prop A GO Bond	Programmed				67,890	30,778	98,668
BART (8th/Grove/Hyde/Market)	Programmed		225		410		635
One Bay Area Grant (OBAG)	Programmed				3,366		3,366
Prop K sales tax (EP 22 & 44)	Programmed		2,230		11,634		13,864
BUILD (federal)	Programmed				15,000		15,000
PUC Sewer and Water Funds	Programmed		2,100				2,100
PUC Sewer and Water Funds ⁴	Planned				20,000		20,000
Total Identified Funding		22,710	13,597	7,000	121,000	32,778	197,085
Phase 1 Funding							141,597
Phase 1 Design + Construction Cost							141,597

¹ Phase 1A design cost included sidewalk level bikeway

² Phase 1 redesign cost includes shared curb lane

³ Preliminary (based on 20% design) full cost for Phase 1 (Market Street from 5th Street to 8th Street). The F-loop is now Phase 2.

⁴ Actual PUC cost will be determined through cost share negotiations

OTHER POTENTIAL FUNDING SOURCES

Funding Source	Funding Requested
Federal FTA 5309 (New Starts, Small Starts, Core Capacity)	
Federal FTA 5337 Fixed Guideway	
Federal BUILD	
Federal OBAG 3 (FYs 2022/23-2026/27)	
State Senate Bill (SB) 1, Cap & Trade (ATP, LPP)	
Regional Regional Measure 3 (bridge tolls): Phase 1	4,872
Regional Regional Measure 3 (bridge tolls)	20,128
Local SFMTA Prop B General Fund set-aside	
Local New Funding (vehicle license fee, bonds, sales tax, TNC tax)	
Local Prop K current/reauthorization	
Local Transit Center Impact Fees	